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June 28, 2024

VIA ECF AND E-MAIL

Hon. Katherine Polk Failla
United States District Court
Southern District of New York
40 Foley Square, Room 2103
New York, NY 10007

**RE: Huzhou Chuangtai Rongyuan Investment Management Partnership et al v. Qin et al.
(Case No. 1:24-cv-02219-KPF)
The Liu Defendants' Letter Update Regarding the Second Circuit's Decision**

Dear Judge Failla:

We represent Defendant Emma “Duo” Liu (“Ms. Liu”) and the Company Defendants¹ (collectively, the “Liu Defendants”) in the above-captioned matter. We write in response to Your Honor’s So-Ordered letter requiring the Liu Defendants to file a letter to update the Court on such decision and the implications thereof. ECF No. 158.

On June 27, 2024, the United States Court of Appeals for the Second Circuit stayed the Liu Defendants’ motion for a stay of this Court’s preliminary injunction, finding that Defendant Hui Qin (“Qin’s”)’s bankruptcy petition automatically stayed the Liu Defendants’ appeal pursuant to 26 U.S.C. § 362(a)(1). A true and correct copy of the Second Circuit’s Order is attached hereto as Exhibit A. The Second Circuit also deferred its decision on the Liu Defendants’ other motions until the stay is lifted. *See id.* Finally, the Second Circuit directed the parties to notify the Second Circuit of developments in Defendant Hui Qin’s bankruptcy proceeding that may justify lifting the stay entered in this matter. *See id.*

The Second Circuit’s Order requires the instant matter to be stayed. *See In re Colonial Realty Co.*, 980 F.2d 125, 131-32 (2d Cir. 1992) (finding that an “action to recover fraudulently transferred property is properly regarded as undertaken “to recover a claim against the debtor” and subject to the automatic stay pursuant to § 362(a)(1)”). Here, Huzhou’s instant claims against the Liu Defendants seeks to recover transferred property which was purportedly fraudulent

¹ The Company Defendants include: St. Tome LLC; St. Fortune Group LLC; St. Grand Ceremony LLC; PH2003 Unit LLC; Hudson Group LLC; Golden Pegasus LLC; Golden Kirin LLC; Harushio LLC; Golden Mermaid LLC; Hatakaze LLC; Bryn Mawr Trust Company of Delaware; I Love GLE Trust; and Applegreen Family Trust.

transferred. Accordingly, the Second Circuit's Order requires a stay of the instant matter as well.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Downs', with a long horizontal flourish extending to the right.

Paul F. Downs
Counsel

cc: All parties of record via ECF